



RISE
Realities in Social Enterprise

TRAINING COURSE FOR SOCIAL ENTREPRENEURS v1.0

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MODULES

MODULE 1: Design Brief & Value Proposition

MODULE 2: Research

MODULE 3: Brainstorming & Creative Sessions

MODULE 4: Prototyping/Testing

MODULE 5: The Business Model

MODULE 6: Business Plan & Finance

INTRO AND OVERVIEW OF THE RISE - ERASMUS+ PROJECT

Long are gone the days in which business planning was the only tool available to entrepreneurs and businesses to create a sustainable competitive advantage. While providing guidance for well-established organisations, business planning, a managerial tool, lacks the flexibility, and the plasticity required in setting up a new venture.

In the last ten to fifteen years, a new set of tools and practices have emerged in the business world which are more appropriate when creating and validating a new business idea.

The following training modules introduce these new tools; they also aim to instruct business trainers on how to facilitate these new tools in the context of the social enterprise.

The real challenge for trainers delivering the following modules is not on the practical side. The tools and activities contained in the following modules only make sense if accompanied by a new way of thinking, a new mindset and perception of what the job of a starting social enterprise is.

We as trainers share the responsibility to facilitate a new agenda for social enterprises, which starts by placing creativity, iteration, user co-creation prototyping and testing and at the centre of the daylily work of entrepreneurs.

While business planning plays a central role in running a successful business, it is not of great help when trying to discover new ways for value creation, for this reason, we place it as the last module of this training programme.

MODULE 1:

THE VALUE PROPOSITION AND THE DESIGN BRIEF

MODULE AIM: to introduce social entrepreneurs to the concept of the Value Proposition and the Design Brief as a first step in starting a social enterprise.

MODULE DURATION: 1 Month

LEARNING OUTCOMES:

- The importance of creating a Design Brief.
- The purpose of the Design Brief.
- The essential components of a Design Brief.
- The dynamic nature of a Design Brief.

KEY SECTIONS:

Participants will draft a first Design Brief during the session. This initial and rough version will become the starting point for future iterations of their Design Brief.

- 1) Project Description.
- 2) The scope of the project.
- 3) Constraints.
- 4) Target users.
- 5) Exploration questions.
- 6) Expected outcomes.
- 7) Success metrics.

TYPICAL QUESTIONS POSTED:

- What's the benefit of drawing a Design Brief?
- How much time/effort should I put into the Design Brief?
- Does the Design Brief need to be perfect?
- How do I know that my Design Brief is good enough?
- What's the difference between a Design Brief and the Executive Summary in a business plan?

TIPS AND COMMENTS:

The Design Brief forces social entrepreneurs to articulate their idea (for new value creation) into a cohesive document. The Design Brief also invites social entrepreneurs not only to describe the different parts of their business idea but also to explain the connections between its components.

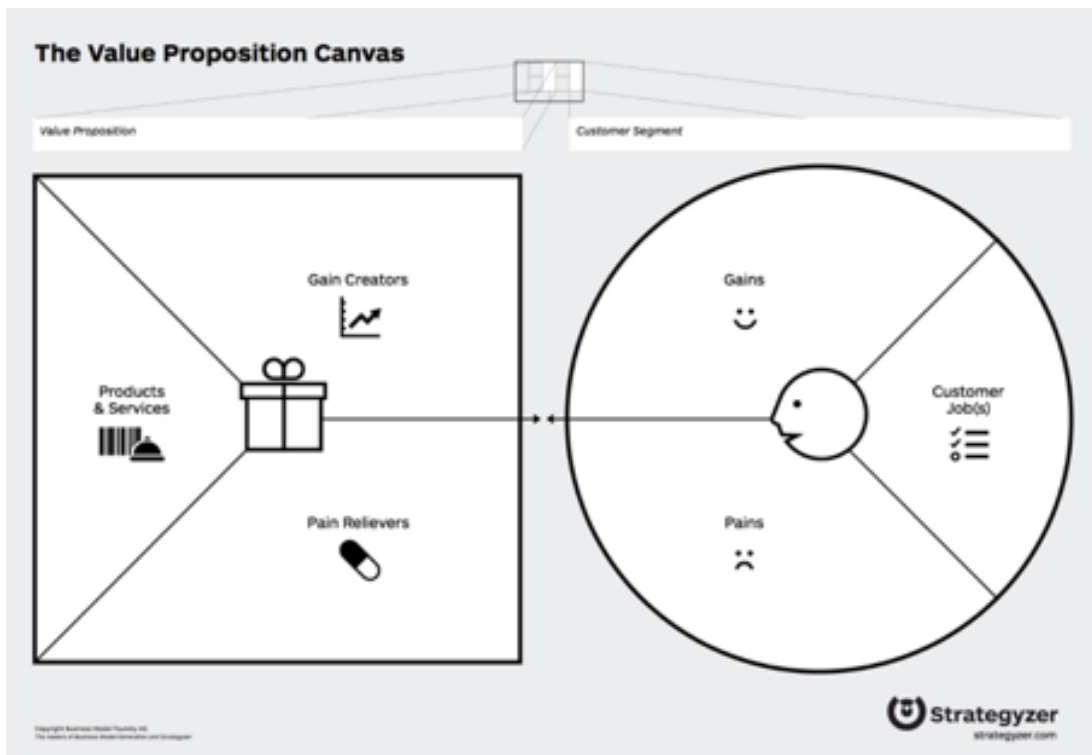
For example - what are the constraints in serving a specific target user rather than another? What are the most appropriate success metrics to choose in a project, based on its expected outcome? In this effort of creating a Design Brief, social entrepreneurs create a narrative - a story behind their idea, which it makes it much easier to visualise and communicate to possible stakeholders.

It is worth noticing here how social entrepreneurs frequently confuse the Design Brief with the Executive Summary of a Business Plan. It is advised therefore spending some time clarifying the difference between conventional business planning and a more (experimental) design-driven approach.

Design Brief, example:

Business Idea	
Users	
Initial Scope	
Limitations/Constraints	
Key Questions	
Expected Societal Impact	
Expected Financial Impact	

It is typical for starting entrepreneurs to experience difficulties when trying to define their value proposition. In visualising the connection between a customer pain and a possible solution for it the Value Proposition Canvas (developed as an extension of the Business Model Canvas, introduced in



Module 5) is a helpful tool to get trainees started with defining their value proposition and Design Brief.

The Value Proposition is composed of the two most essential blocks of the Business Model Canvas and matches a customer's pain with possible solutions that either relieve that pain or enhance an already positive experience.

Unfortunately, many early-stage entrepreneurs and start-ups still receive training which is product- and not user-centred. This approach to training focuses mainly on product specifications and the differences between the new product and one of the competitors.

Time has come to change this, too many business failures are the byproduct of well-designed and fancy products or services that no one uses or wants. The role of the trainer in this module is to introduce the vital difference between design (aesthetic - the way a product looks like) and design thinking, which is a method to uncover users' unarticulated needs and to prototype and test feasible solutions for them.

In this first session, trainers must communicate the empirical and iterative nature of new value creation. The major challenge is shifting participants' mindset - from looking for the perfect and final product or service to one that is a rough, unfinished which requires the customer to evolve.

While the intuition of entrepreneurs is still the engine for new value creation, this must be projected in the lives of the final users to translate it into a product or a service that enhances their lives.

MODULE 2:

RESEARCH

MODULE AIM: to introduce social entrepreneurs to the two main types of research (qualitative and quantitative), their primary functions, how do they differ, and how to implement them.

MODULE DURATION: 1 Month

LEARNING OUTCOMES:

- Understanding the different role of primary and secondary researches.
- The importance of conducting primary researches.
- The different types of primary researches.
- How to conduct primary researches.
- The importance of conducting secondary researches.
- The different types of secondary researches.
- How to conduct secondary researches.

KEY SECTIONS:

- 1) Thy reason for conducting research - the concepts of (idea/opportunity) exploration and validation.
- 2) Primary researches: exploring an idea or opportunity.
- 3) The tools for conducting primary researches: Ethnographic interviews, Personas, Job to be done & Customer Journey mapping.
- 4) Secondary researches - validating an idea.
- 5) The tools for secondary researches: the information available on the internet, the results of existing market research, and the data available on stock lists and from consumer databases.

TYPICAL QUESTIONS POSTED:

- Why should I spend time conducting marketing researches?
- If I have to, how much time/effort should I put into conduction marketing researches?
- When do I know that I have collected enough data/information in my researches?

- How can I choose/find the right people to interview for my primary research?
- Is there free software to conduct researches?
- Can I start with family and friends to conduct marketing researches?

TIPS AND COMMENTS:

While conducting both primary and secondary types of research is vital for the success of any business, current entrepreneurship training and education over-emphasises the importance of secondary inquiries because of their role in validating an idea/intuition.

In this module, trainers are invited to take a more balanced approach, where explorative researches (finding new opportunities for value creation) are as crucial as secondary 'validating' researches.

Is therefore essential that trainers take the time to communicate the fundamental difference (in the outcome) between these two types of researches before introducing the tools and the suggestions on how to implement them.

Also, it is important to notice here the different set of skills required in conducting primary and secondary researches. While secondary analyses don't require interaction with the targeted 'users' (as they are mostly data based), primary investigations need entrepreneurs to be able to empathise with the targeted users.

During the session, attendees should be invited to experience both types of researches. Primary researches are done mostly by looking of current and existing studies available on the internet (each participant should have access to the internet).

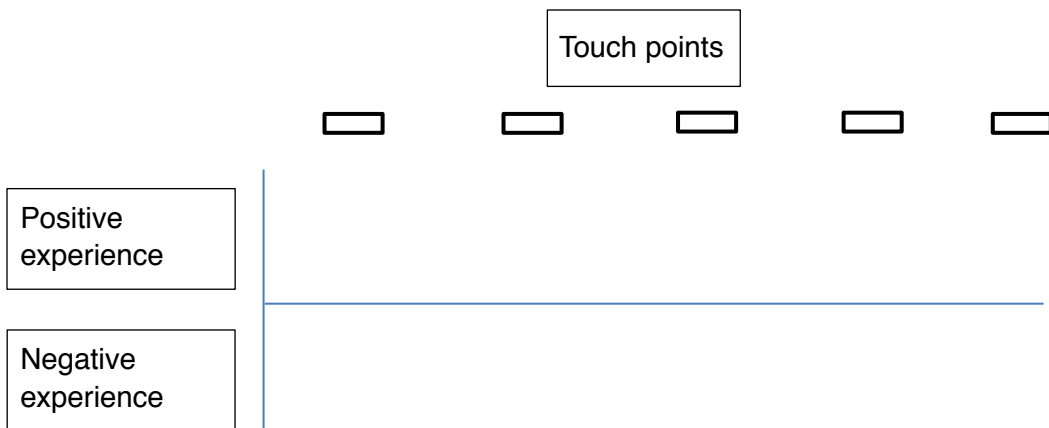
Given their social nature, training entrepreneurs in conducting secondary researches it is more difficult. The training session offers an excellent opportunity for participants to experience/practice secondary researches by 'simulating' interviews with other entrepreneurs attending the training session. Practising qualitative investigations as ethnographic interviews in a 'safe learning environment' is a tremendous first step to prepare entrepreneurs for the real world.

In this second module, trainers must introduce the role of empathy when conducting primary research. One of the biggest mistake, which is responsible mainly for the failure of social enterprises is the confusion between empathy with sympathy.

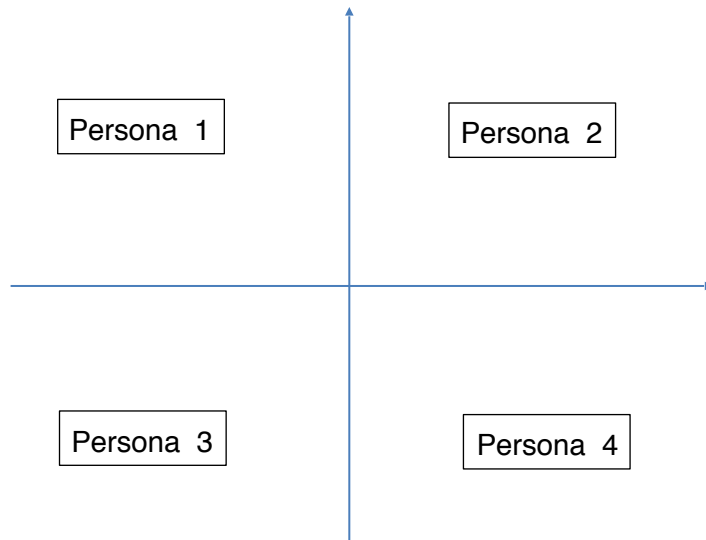
While sympathy (acknowledging another person's emotional hardships and providing comfort and assurance) is a necessary, virtuous and must need action in society, it doesn't necessarily help in creating a sustainable business model tackling a problem. On the other hand, empty (understanding what others feel because you can put yourself in their shoes) is the initial step for uncovering users' un-articulated needs and framing the problem correctly.

Tools/templates for primary researchers:

1) Customer Journey mapping: mapping the positive and negative consumer's touching points with the current service. The idea is to create new value for the users by minimising the negative and optimising the positive experiences.



2) Personas: are fictional characters synthesising the characteristics of a specific set of users. Placing the different user personas on a 2x2 matrix is of great help for understanding the diverse set of needs in the marketplace.



3) Job to be done: this tool is useful to access user’s un-articulated customer needs. It forces entrepreneurs to look beyond what the users ask for a dig deeper into their set of requirements (functional and emotional).

	Positive Outcome	Success Measure	Negative Outcome
Functional Job			
Emotional Job			

The tools above are an adapted version of those introduced in “Designing for Growth: A Design Thinking Tool Kit for Managers (D4G), Jeanne Liedtka and Tim Ogilvie”.

MODULE 3:

BRAINSTORMING AND CREATIVE SESSIONS

MODULE AIM: introducing the concepts and the practice of creative thinking to social entrepreneurs setting up a new business.

MODULE DURATION: 1 Month

LEARNING OUTCOMES:

- Understanding the fundamental difference between creativity and innovation.
- Realising the pivotal role that creativity plays in the journey of every entrepreneur.
- Familiarising with tools and practices to boost creative thinking.
- Use the results of the previous module (research) as a raw material to run creative sessions.
- Understanding creativity as a way to diverge conventional business thinking.

KEY SECTIONS:

- 1) Creativity as a human gift.
- 2) Incremental Vs. Disruptive innovation.
- 3) Re-framing (shifting perception about the users and their needs) the essence of creative thinking.
- 4) Common used tools for re-framing.
- 5) Running a brainstorming session.
- 6) Visualisation—as a way to communicate ideas and thoughts.

TYPICAL QUESTIONS POSTED:

- Is creative thinking a gift or a skill that can be learned and refined?
- Can you provide some real case examples of business founders using creative thinking to generate value for their users?
- I'm not creative! Why should I place an effort into it?
- What matters is innovation.... why should I focus on creativity first?
- Is creative thinking an ability needed in any new social enterprise?

TIPS AND COMMENTS:

For the last twenty years, innovation has been the only focus of many starting but also established entrepreneurs. While this is true in the social sector, it is even more accentuated in the for-profit industry.

In this third training session, trainers have the pivotal role of emphasising how sustainable innovation is the byproduct of entrepreneurs' ability to think creatively. Creativity is slowly making its way in the business world, yet it will take another while before businesses can use it properly.

As trainers, we have to accelerate the adoption of a creative agenda in the daily work of social entrepreneurs.

A significant percentage of social entrepreneurs start their journey not necessarily because pushed by their creative geniuses, but rather for the unique, and a time unfortunate or disadvantage circumstances around them.

The following techniques and tools are useful to awake the creative geniuses of social entrepreneurs:

Facilitating a brainstorming session:

- 1) Make sure every participant is in a divergent thinking mode (no criticism, any thoughts no matter how strange or unusual must be shared).
- 2) The facilitator introduces the main subject for the brainstorming session; this could be an opportunity to improve upon an existing product or service or how to solve a customer pain (emerged in the research stage highlighted in the previous module).
- 3) The facilitators start the session by asking provoking questions, e.g. 'what would we do if we were the Ryanair team trying to cut costs?' or 'describe our organisation without using most common words.'
- 4) Invite participants to work alone for a while and then share their work on a whiteboard.
- 5) Facilitate an open session to find patterns and new ideas.

The brainstorming session aims to expose starting entrepreneurs to the power of divergent thinking as a way to create new and sustainable business models. By experiencing it, entrepreneurs not only become aware of the power of brainstorming but also to lower their barriers towards it.

Facilitating a creative session: (embracing the power of analogies)

- 1) The trainer chooses a real case example of a successful product or service.
- 2) Every participant is responsible for finding an analogy with this product and another product; this is even better if the two goods are in different industries. E.g. portable charger (Power Bank) for mobile phones and charging stations for hybrid or fully electric cars.
- 3) Participants are now invited to think deeply about the analogies between the two products and how one could have suggested features for the other.
- 4) Participants are also invited to think graphically by sketching user scenario in a poster or board.

Introducing entrepreneurs to the power of analogies combined with visual thinking not only enriches their ability to find lateral solutions but also fosters group and teamwork. The most significant advantage of visualisation is overcoming the language barrier which may hinder the communication process between teams.

MODULE 4:

PROTOTYPING/TESTING

MODULE AIM: introducing the concepts and the practice of prototyping and testing to social entrepreneurs setting up a new business.

MODULE DURATION: 1 Month

LEARNING OUTCOMES:

- Appreciate the importance of experimentation for new value creation.
- Familiarise with the concepts of prototyping.
- Understand the different types of prototypes: Sketch, 2D or 3D.
- Appreciate the connection between prototyping and testing.
- Grasp the different levels/methods of user testing.
- Understand the iterative dynamic of building a new solution.

KEY SECTIONS:

- 1) Experimentation and failure as a way to refine the value proposition.
- 2) Prototyping 101 - where to start.
- 3) Different levels of prototypes - from sketching to 3D interactive models.
- 4) User testing, creating the right environment and the role of the moderators.

TYPICAL QUESTIONS POSTED:

- When should I start prototyping? Why?
- Can you provide some real examples of businesses that successfully used prototyping to refine their products?
- As I don't have a budget for it, is prototyping expensive?
- How should I invite for testing my prototype? Friends or real users?
- How fast should I move from an early stage prototype to 3d interactive prototype?

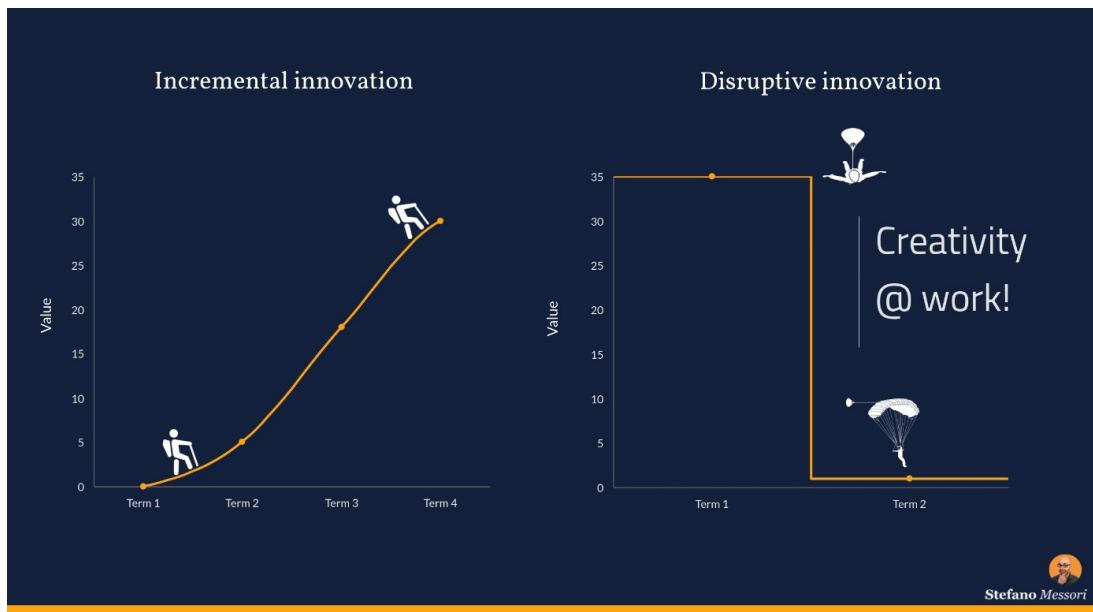
TIPS AND COMMENTS:

Entrepreneurs by their very nature, tend to jump to possible solutions rather than investigating and refining the understanding of the problem they want to solve. While this approach maximises speed, it sacrifices the creative process, in so doing fostering incremental rather than radical innovation.

In this fourth module of the programme, trainers are responsible for introducing the concept of prototyping as a way to learn rather than a testing method. Trainers have to place particular attention to this point because this is, possibly, the most significant switch in the entrepreneurial mindset required in fostering positive and sustainable change.

Traditional entrepreneurship education gravitates mainly on business planning. In so doing it focuses on solving a definite problem rather than learning about the problem itself.

There is the need, therefore, to clarify the difference between incremental and radical or disruptive innovation.



Business planning is necessary for creating an organisation able to develop and deliver more of the same value (management) to the final users.

Surprisingly enough though, what is responsible for the failure of most social enterprises (but also for-profit) is not an organisational/managerial problem, but rather the creation of a product or service that no one wants or can afford.

The kernel of the educational problem which is affecting entrepreneurship today more than ever, is that we are training managers, not entrepreneurs. The lack of creative insight - which is the ability of an entrepreneur to shift his/her perception about the issue they want to solve must be addressed before creating a possible solution for it.

Prototyping enables that collaborative and divergent thinking (which is missing in business planning) which is based not only on the intuition of the founder but rather on actual customer feedback.

The different levels of prototyping

Prototyping follows a continuum, from a basic paper prototype, costing only the time invested in creating it, to a fully working prototype.

The attention in this module must focus on getting entrepreneurs involved and engaged in creating a low-cost prototype for their ideas.

Procrastinating customer feedback adds risk to any novel business idea.

The longer an entrepreneur and his or her team spend in creating a solution the riskier their investment becomes. To avoid this, successful organisations invite their users to co-create the product/service.

Investments in the development of a product only happen on the 'most desired or required features.' Successful entrepreneurs democratise their innovation effort. By creating a public and 'suggested' roadmap containing the upcoming product development features let users vote for those that are most required.

While developing the most necessary features, entrepreneurs invite users (early adopter) to test the new features and provide early feedback on them. In this module, trainers need to replicate this dynamic during the session. The biggest challenge here is lowering the defence of participants in accepting the 'inaccuracy' of a rough prototype of their product or service.

A possible way to overcome the fear of getting started with prototyping is opening the session with a simple but fun activity to create a safe learning environment. This introductory part is pivotal to the success of the module.

Once participants have created a first and rough prototype of their product or service, they have to ask for feedback from other attendees. By moderating the session, trainers here act as facilitators, making sure that there is no friction in the process of giving and receiving feedback.

At the end of the session, every participant is invited to reflect and write down what they have learned from creating and sharing their first rough prototype.

MODULE 5:

THE BUSINESS MODEL

MODULE AIM: introducing starting entrepreneurs to the concept, role and the practice of business modelling. This module also highlights the importance of the process of validating a business model before getting started with business planning.

MODULE DURATION: 1 Month

LEARNING OUTCOMES:

- Familiarise with the practice of business modelling.
- Appreciate the tools available for business modelling.
- Grasp the importance of outlining early stage assumptions (particularly regarding value-added and customer segments).
- Understand the concept of business model validation and practice it.
- Appreciate the difference role of business modelling and business planning.
- Grasp the different levels/methods for business modelling
- Understand the Iterative dynamic of creating a sound business model.

KEY SECTIONS:

- 1) Business ideas day one: outlining the set of assumptions behind a fresh business idea.
- 2) Business modelling: a necessary step before business planning.
- 3) The Business Model Canvas, introduced by Alexander Osterwalder.
- 4) The Lean Canvas, presented by Ash Maurya in his book, Running Lean.
- 5) Example of practical use of business modelling.

TYPICAL QUESTIONS POSTED:

- Why should I invest time in creating a business model? Can't I start planning day one?
- Can you provide some real examples of companies that successfully applied business modelling?
- As I'm not familiar with it, how long should business modelling last?
- How can I find/outline the assumptions rooted in my business idea? How do I know if they are good or bad?
- How fast should I move from a business model to another?

In this part of the session, the trainer introduces the nine elements of the canvas to the attendees.

In the first module, the trainer introduced participants to the Value Proposition Canvas and hopefully, by now, they developed a more realistic understanding of the value they want to create and to whom. Once participants are familiar with the two most pivotal blocks are (the Value Proposition & Customer Segment/s) it's time to introduce them to the other parts of the canvas and how they relate to one another.

In introducing the remaining seven blocks, the trainer has to highlight the different nature of the right and the left side of the canvas.

The left part of the canvas relates to the 'back office' meaning those activities and tasks needed to create the value delivered in the 'front office' which is the right side if the canvas.

The remaining seven blocks of the canvas are as follows:

- Revenue streams;
- Cost Structure;
- Key Partners;
- Key Resources;
- Key Activities;
- Channels;
- Customer relationship.

Rather than using the training session deepening into the content of every single box of the canvas, which is to some extent self-explanatory, trainers must stress the relationship between its different parts and the dynamic/ evolving nature of the canvas.

Spending too much time on the different parts of the canvas invites attendees to use it as a checklist rather than a validation mechanism.

Also, and even more importantly, is bringing to participants some real case example of the application of the Business Models Canvas with well know brands, and discover patterns behind them, e.g.:

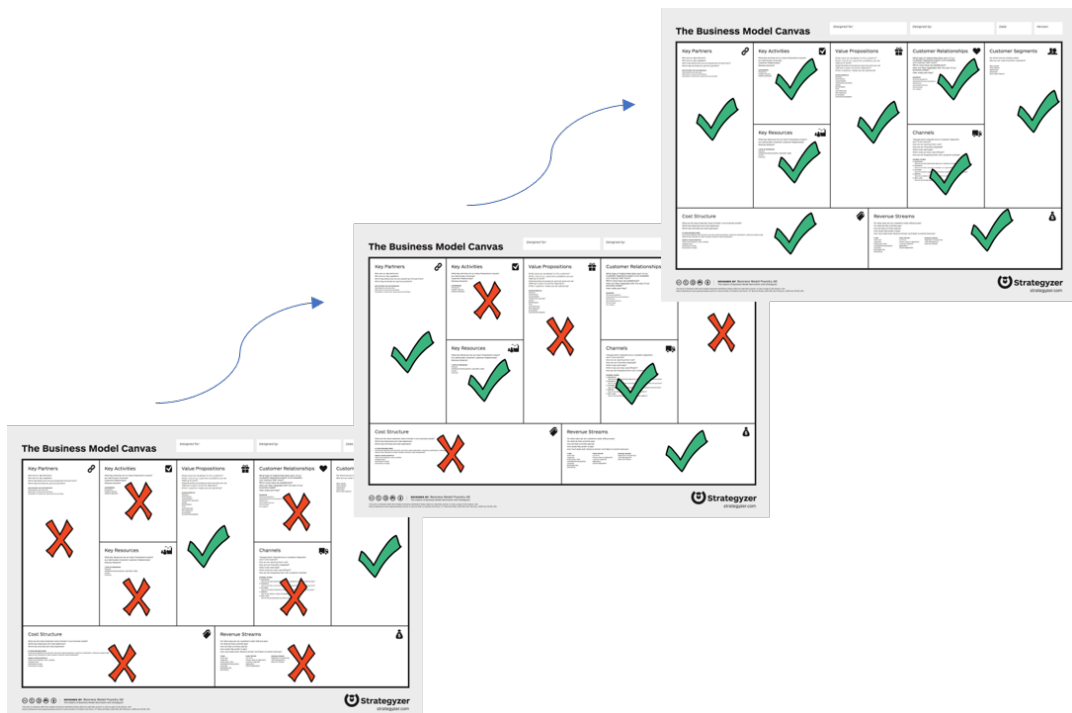
- **Gillette**: Bite & Hook business model - the profit is on the blades rather than the razor.

- **Skype:** Freemium model – the basic service is free but the need to subscribe to a pro account to access premium features.
- **Google:** Multi-sided platform – surfers (free users) and advertisers (paid customer).

By looking at these simplifications of ‘well-known’ brands, entrepreneurs start to appreciate the different ‘strategies’ driving various business models. Trainers must not provide participants with the answer, but rather divide participants into groups and let them discover the implicit business model. After that, each group share its work with the rest of the class. Trainers have to guide the participants on the parts of the business models they were unable to reveal.

During the session, every participant is invited to create a first draft of the canvas for their business idea. Writing on the canvas is not allowed, trainers must make sure that participants are using post-it notes when writing down their assumptions.

The assumption validation process:



Session format:

- To make the session more interactive and to invite shared learning, trainers ask each participant to fill the canvas with their business assumptions by using post-its.
- After that, participants have to share their 'filled' canvas with others and look for observations about their assumptions. The role of the trainer here is to assure constructive feedback among participants.

After experiencing this dynamic in a safe learning environment (training session), participants are invited to write down their reflection (in giving and receiving suggestions) about the validation process.

While the Business Model Canvas has been the first attempt to simplify the concept of business modelling, this suits more established organisations rather than startups.

Trainer, therefore, may want to introduce participants to a variation of the well known Business Model Canvas - the Lean Canvas put forward by Ash Maurya.

The lean canvas still has nine boxes, but it is more concerned about the customer segment/s and the value an organisation want to offer them. Trainers can relate this concept to the separation highlighted above between the left and right part of the Business Model Canvas. The lean canvas focuses more on the front office of the product/service rather than the back office (the making).

The Lean Canvas – Ash Maurya

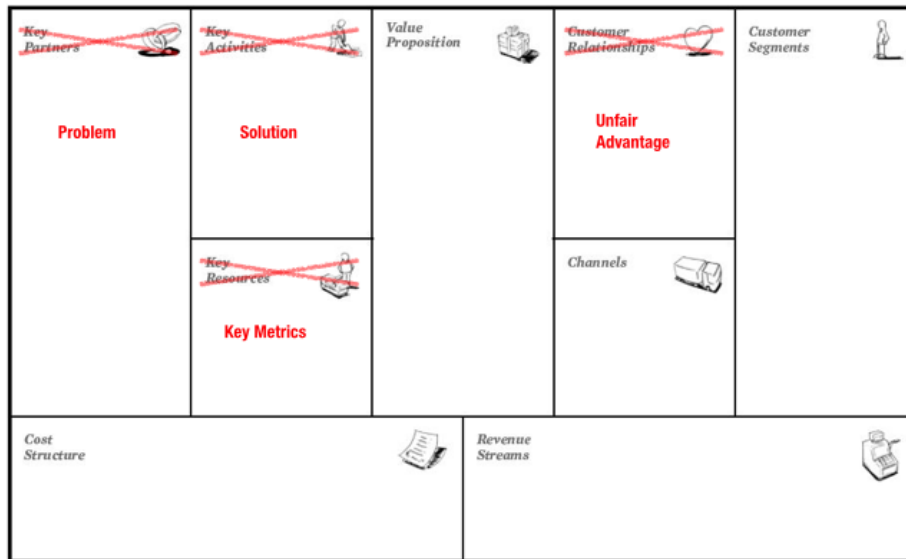
PROBLEM <small>What year, day, 7-11 conditions</small> EXISTING ALTERNATIVES <small>What have others problems and solved today</small>	SOLUTION <small>Outline a possible solution for each problem</small>	UNIQUE VALUE PROPOSITION <small>Describe what, possibly, something that makes you you and different from other existing solutions</small>	UNFAIR ADVANTAGE <small>Something that cannot easily be bought or copied</small>	CUSTOMER SEGMENTS <small>What year, day, 7-11 customers and users</small>
COST STRUCTURE <small>What year, day, 7-11 costs</small>	KEY METRICS <small>What are the numbers that tell you how the business is doing</small>	HIGH-LEVEL CONCEPT <small>What year, day, 7-11 concept is it? Include a slide for notes</small>	CHANNELS <small>What year, day, 7-11 channels and how</small>	EARLY ADOPTERS <small>What are characteristics of your ideal customers</small>
		REVENUE STREAMS <small>What year, day, 7-11 revenue</small>		

In the Lean Canvas, Maurya replaces four of the nine boxes of the Business Model Canvas, three in the left side:

- Key Partners into Problem
- Key Activities into Solution
- Key Resources into Key Metrics

Only one on the right side of the canvas:

- Customer Relationship into Unfair advantage.



Implications for trainers:

- 1) Focusing on the **problem** rather than the **solution** is the most critical shift that we, as educators, have to emphasise to early-stage entrepreneurs. Entrepreneurs tend to generate possible solutions rather than deepening their understanding of the users' problem itself. This again spurs incremental innovation rather than radical new approaches for value creation.
- 2) Shifting from the idea of creating a **single and fully formed solution** to designing a set of **Minimum Viable Products**. This concept is similar to prototyping as introduced in the previous module.
- 3) Highlights the pivotal role of identifying the appropriate **Key Metrics** to monitor the result of the entrepreneurial effort constantly. This point requires particular attention, and it must be stressed several times during the session.

- 4) Assisting entrepreneurs to shift from the well-known and vague concept of competitive advantage to the notion of **unfair advantage**. Unfair advantage is the part of the competitive advantage that can't be easily copied or imitated by competitors.
- 5) Key partners, activities, resources and customer relationship play an essential role in creating a sustainable business model. Trainers must make sure that entrepreneurs will focus on these elements only after having clarified the previous four points.

The way to implement this part of the session on the Lean Canvas mimics the one described for the Business Model Canvas where participants work actively on their canvas and then share it with others.

It's worth noticing here that frequently entrepreneurs are afraid to share their business idea with others, in case someone might steal it. Trainers must tackle this fear at the beginning of the session, by stressing that the focus is about looking for the right problem rather than developing a final working solution, which is the (product/service).

MODULE 6:

BUSINESS PLAN & FINANCE

MODULE AIM: to introduce social entrepreneurs to the concept of the Business planning and the financial projections needed in starting a social enterprise.

MODULE DURATION: 1 Month

LEARNING OUTCOMES:

- The importance of drafting a Business Plan.
- The purpose of a Business Plan.
- The essential components of a Business Plan.
- The dynamic nature of a Business Pan.

KEY SECTIONS:

The trainer will introduce participants to the different parts of a business plan:

- 1) Executive summary
- 2) The business
- 3) Market Demand
- 4) Competition
- 5) Strategy
- 6) Resources
- 7) Financial and forecasts
- 8) Risk, opportunity and sensitivity
- 9) Conclusion

Trainers do not expect that participants will leave this session with a complete business plan, but rather with an understanding of its essential components. It would also be useful for participants to draft a very rough version of their plans, in so doing developing an awareness of which part requires the most attention.

TYPICAL QUESTIONS POSTED:

- What's the benefit of drawing a Business plan?
- How much time/effort should I put into the Designing a Business plan?

- Does the Business plan need to be perfect?
- How do I know that my Business plan is good enough?
- Can you show how to embed the work developed in the previous modules into a business plan?

TIPS AND COMMENTS:

Business planning has been the primary resource in helping entrepreneurs to get started with their business idea. Many public and private training institutions around the world still using business planning as the only tool to support early-stage entrepreneurs in reducing the risk of setting up their venture.

As we have seen in previous modules, there are other tools which are more appropriate to validate a new business idea. Despite conventional thinking, Business planning is a managerial tool which is not appropriate to test the validity of a new business idea, but instead, it's appropriate to test its feasibility (given the resources and the skills available to an organisation or an entrepreneur).

After having introduced the previous modules, here the trainer aims at helping participants to organise and connect the work developed during the earlier modules into a cohesive plan.

While detailed and step-to-step instructions for each section of the business plan are broadly available on the internet, and countless books are available on the topic, this training module provides trainers with a new perspective on business planning, in line with the tools we have introduced in previous modules.

It's important to notice here how business planning may serve many purposes, e.g. raising equity, seeking investments, selling a business. As stated in the RISE manual, these training modules aim to lower the risk of failure in the context of the social enterprise. Therefore the focus is on planning for sustainable competitive advantage rather than other purposes. In this module, trainers help participants to organise their work and draw the relationships between the different part of their business plan.

Let's explore the salient components for each section of the business plan:

1) **Executive summary**: this section contains the reason behind the existence of a new social enterprise. What is the un-served or under-served and even better un-articulated problem affecting the user? This section should also contain the area of the impact of the social enterprise (starting small by serving the local area, and only after that, seeking expansion de-risks the innovation effort).

2) **The business**: before describing the company, this section contains the background of the founder/s. Why is the founder/s keen to solve that particular problem and to improve the life of users? In most cases, social enterprise is created around an issue affecting the lives of the founder/s. Have they experienced that themselves? Expanding on the Executive summary, in describing a particular business, attendees must highlight the connection between **the problem affecting the community** and the creation of a **viable business model to tackle it**.

3) **Market Demand**: this point requires particular attention. In here the focus should be on both primary and secondary research, and most importantly on the way they connect. As explained in module two, primary analyses are characterised by a qualitative nature; their role is to spot a set of needs that users are not able to articulate. The tricky part here is to connect these qualitative researches with its scalability. What's the overall demand for that service? Is there enough demand justifying the required investment for creating the solution?

4) **Competition**: the essential role of the trainer in this section of the business plan is to introduce participants to the positive nature of business competition. Many starting organisations fail because misunderstanding how business competition work. Rather than replicating the work of capable competitors, already delivering a viable solution to a known problem, a social enterprise should focus on solving a different issue. While using analytical tools as the Industry Analysis, enabling entrepreneurs to understand the forces a play in their industry, attention should also be focused on design (thinking).

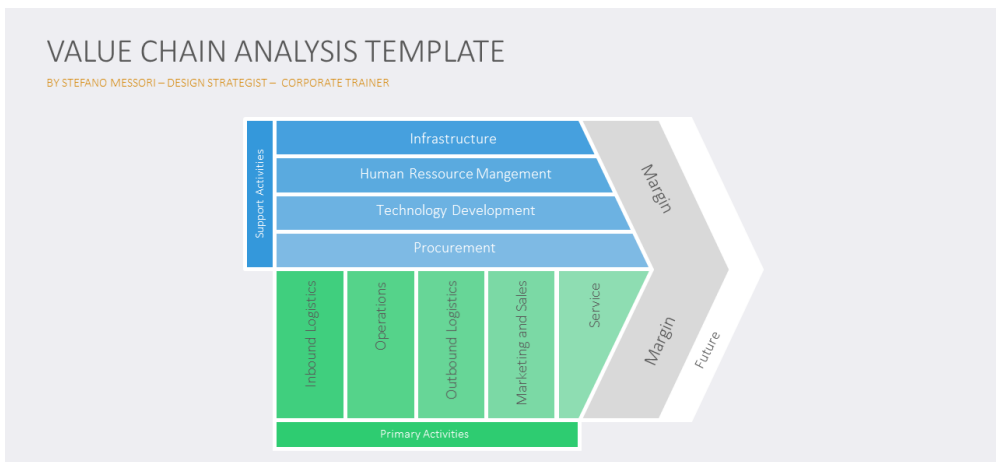


Design opens up an all new understanding of the notion of competitive advantage fostering creativity to generate newly sustainable value proposition. Some necessary tools of design thinking have been introduced in the previous training modules.

5) **Strategy:** as seen in the previous section of the business plan (analysing competition), trainers should also further a different notion when it comes to business strategy for the social enterprise. Besides the conventional and rational business training tools developed by academics (mainly from the work of Prof. M.E. Porter, and the positioning school) time has come to understand strategy also as an emergent process. This requires trainers to communicate the dynamic and iterative nature of this part of the business plan, reflecting the concepts and the tools introduced in module number five: the business model canvas and the lean canvas. Design tools are also finding their way in business, yet it will be another while before entrepreneurs acquire the mindset need to use them correctly.

6) **Resources:** in this section of the Business plan entrepreneurs have to describe how they are going to use their scarce resources to create sustainable value for the user they want to serve. To support

entrepreneurs in this task trainers can introduce the Value Chain framework which provides an activity-based view of an organisation.



A frequently overlooked aspect when thinking about the activities performed in an organisation, and the resources needed for it, is the notion of 'FITs'. In other words, attention must be given on how the activities connect and reinforce one another in creating a unique advantage for the organisation. In the previous chapter when introducing the lean canvas, we have seen the concept of un-fair advantage, which is the advantage that isn't easy to copy by competitors. Trainers must highlight this connection to participants which have to try to discover the possible (FITs) in their activities and the resources needed to implement them.

7) **Financial and forecasts:** as introduced at the beginning of this chapter, entrepreneurs are drafting this business plan to reduce uncertainty (to survive) rather than other purposes, e.g. obtaining funding, seed capital, etc. There is no value in generating three years forecast in a startup. In this section of the business plan, trainers have to communicate the much shorter nature of financial forecasts, with the quarter (of a year) being the most appropriate time horizon. It comes without saying it that economic indicators are among the key metrics social enterprise must use to validate their business idea. In this section, trainers have to invite participants to clarify which among the financial indicators are the most important to confirm their business intuition. There is still the need to create a forecast P&L account, Cash Flow Statement and Balance Sheet.

8) **Risk, opportunity and sensitivity:** this part of the plan should be straightforward if participants implemented the different tools introduced in the previous modules. The business model canvas and the lean canvas assist entrepreneurs to reduce the risk they are taking in setting up a social enterprise. When choosing to test a particular business model, it's of great help to understand the opportunity and risk the organisation is taking on board and project them on a time horizon. As introduced before, prototyping holds a pivotal role in minimising financial risk. Trainers should highlight here the importance of fast iteration of prototyping, in so doing speeding up the organisation learning about customer needs and how to satisfy them.

9) **Conclusion:** in this closing part of the business plan entrepreneurs have to summarise each section of the business plan and articulate a cohesive narrative explaining why it is worth setting up a new venture delivering a unique value proposition creating value to under-served customers. This part must be aligned with the opening part of the business plan – the Executive summary.